GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:6
ANSWERED ON:30.11.2015
Construction of Oil Pipeline
Ahlawat Smt. Santosh;Saraswati Shri Sumedhanand;Senguttuvan Shri Balasubramaniam;Suresh Shri Doddaalahalli Kempegowda;Vichare Shri Rajan Baburao

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to set up Natural Gas/LPG pipeline to Nepal from Raxaul to Amlekhganj and if so, the details thereof along with the objective and cost of the project;
(b) whether any agreement has been signed to construct oil pipeline to Nepal and Oil and Gas trade deal with Russia and if so, the details thereof and likely impact on the Indian oil and gas sector from the said deal;
(c) whether State owned Indian Oil Corporation supplying petroleum related products/cooking gas to Nepal through road route and if so, the details thereof;
(d) whether the said supply has been disrupted due to strike called by the Madhesi leading to acute shortage of fuel in Nepal and huge pile of Indian trucks at the Indo-Nepal border;
(e) if so, the details thereof and the concrete steps taken in this regard; and
(f) whether the Government of Nepal and State owned Nepal Oil Corporation have made Memorandum of Understanding with China and Bangladesh oil companies for supply of petroleum products and if so, the details thereof and the steps taken by the Government for uninterrupted supply of petroleum products to Nepal for better bilateral relations?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) and (b): Government of Nepal and Government of India have entered into an MoU on 24.8.2015 for the construction of Raxaul (India)-Amlekhgunj (Nepal) Petroleum Products Pipeline to provide efficient supply of petroleum products. The MOU provides for a 41 km pipeline (2 km in India and 39 km in Nepal), to supply Petrol, Diesel and Kerosene. The pipeline is to be constructed by Indian Oil Corporation at a cost of approximately Rs. 200 crore. It also provides for additional facilities in Amlekhgunj depot to be developed by Nepal Oil Corporation at a cost of approximately Rs. 75 crore.
Oil and Gas companies sign term contracts for supply of oil and gas with various producing countries including Russia depending on the techno -commercial viability.
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(c) Indian Oil Corporation Limited supplies major petroleum products to Nepal Oil Corporation from 10 supply locations through Tank trucks arranged by the Nepal Oil Corporation. During 2014-2015 1327480 MT and during April to October 2015 644070 MT of petroleum products have been provided to Nepal.
(d) and (e): Supplies were disrupted due to obstructions at several of the India-Nepal border crossing by disaffected sections of the Nepalese population on their side. There was no blockade by India. Despite obstructions, a large number of cargo trucks have passed through those crossing points that were open and available. Within the existing logistical constraints, Government of India continued to meet Nepal's POL requirements to the extent possible, including by facilitating re-routing of stranded POL tankers through other available crossing points. Airlift of aviation fuel, including flight clearance for third country supplies, was also permitted.
(f) There is no official information available on the subject since it pertains to discussions between two sovereign Governments of Nepal and China, as well as between the Governments of Nepal and Bangladesh.
Government of India is ready to meet Nepal's need for petroleum products subject to logistical constraints.